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United States General Accounting Office

GAO

Fact Sheet for the Honorable Pete Wilson  
U.S. Senate

April 1988

# FOREIGN INVESTMENT

## Canadian Investment in U.S. Publishing and Cable Television Industries



135674

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United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-230540

April 14, 1988

The Honorable Pete Wilson  
United States Senate

Dear Senator Wilson:

The U.S.-Canada Free Trade Agreement, which was signed on January 2, 1988 by President Reagan and Prime Minister Mulroney, is generally regarded as an important milestone of progress in U.S.-Canadian trade relations. However, the exemption of "cultural industries" from the Agreement has prompted concern about the impact on future trade in these sectors. In your letter of March 10, 1988, you requested us to identify the extent of Canadian investment in two U.S. "cultural industries," publishing and cable television, to provide background information for discussion of this matter.

We identified eight Canadian corporations with investments in the U.S. publishing sector. The largest U.S. holding is by Thomson Newspapers Ltd., which owns 109 newspapers, and International Thomson Organization Ltd., which owns 40 publishing subsidiaries. Their combined annual sales in the United States is over \$1.2 billion. Other investments in newspapers or publishing have been made by Hollinger Inc., Maclean Hunter Ltd., Torstar Corporation, Quebecor Inc., Bell Canada Enterprises Inc., and Arden Management Ltd. We could not place a value on Canadian holdings in the publishing sector.

We also identified five Canadian corporations with investments in the U.S. cable television industry. They are Rogers Communications Inc., Maclean Hunter Ltd., Moffat Communications Ltd., Selkirk Communications Ltd., and Amzak Corporation. Together, they have a total of 918,379 subscribers. Based on the industry rule of thumb of \$2,000 per subscriber, a rough estimate of the value of their holdings would total \$1.8 billion.

We compiled information on Canadian investments in the publishing and cable television industries from available public sources, including the Commerce Department's data base Foreign Direct Investment in the United States and

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2721 - periodicals  
2731 - book publishing  
2732 - book printing  
2741 - miscellaneous publishing

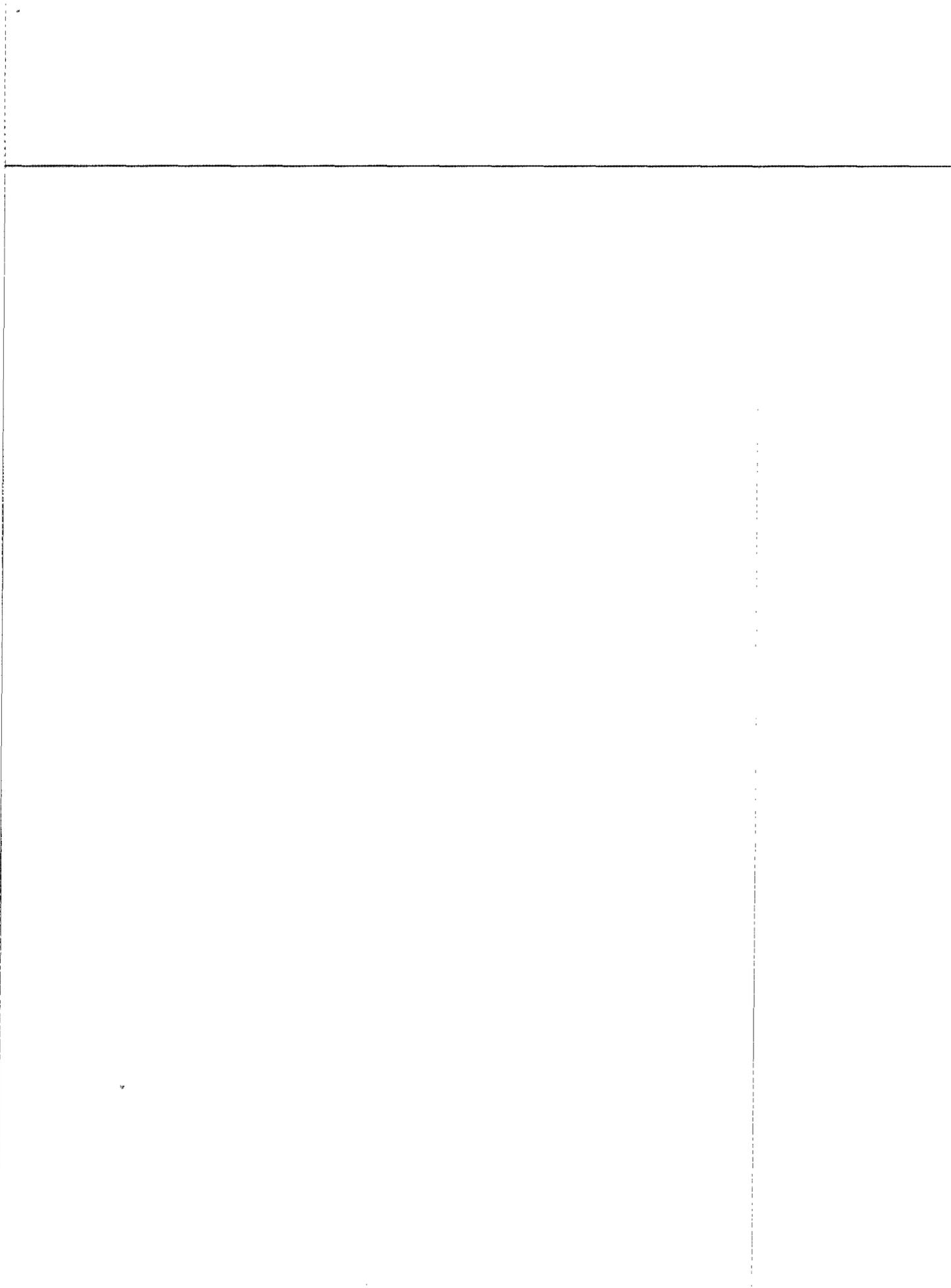
2. radio and television broadcasting (4832, 4833)
3. communications, including cable systems (4899)
4. music licensing and distribution (6794, 7399)
5. movies, including home videos (781, 782, 783, 784)

As requested, we focused our review on the first and third categories. The availability of information, limitations on the data, and actual data identified for each grouping are presented in appendices II and III.

6. Eureka (CA) Times-Standard - 20,372
7. Oxnard (CA) Press-Courier - 18,951
8. West Covina (CA) San Gabriel Valley Daily Tribune - 60,816
9. Whittier (CA) Daily News - 18,127
10. Yreka (CA) Siskiyou Daily News - 5,651
11. Ansonia (CT) Evening Sentinel - 16,474
12. Englewood (FL) Herald (weekly) - 2,000
13. Key West (FL) Citizen - 7,083
14. Marianna (FL) Jackson County Floridan - 4,616
15. Orange Park (FL) Clay Today - 4,800
16. Punta Gorda (FL) Charlotte Herald-News - 6,970
17. Americus (GA) Times-Recorder - 7,175
18. Cordele (GA) Dispatch - 5,691
19. Dalton (GA) Daily Citizen-News - 11,775
20. Griffin (GA) Daily News - 12,257
21. Thomasville (GA) Times-Enterprise - 11,358
22. Tifton (GA) Gazette - 9,730
23. Valdosta (GA) Daily Times - 17,513
24. Jacksonville (IL) Journal Courier - 14,750
25. Mount Vernon (IL) Register-News - 11,465
26. McLeansboro (IL) Times-Leader (weekly) - 3,397
27. Kokomo (IN) Tribune - 27,346
28. New Albany (IN) Tribune, Ledger & Tribune - 10,478
29. Rensselaer (IN) Republican - 3,062

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various reference directories, such as Standard & Poor's Register of Corporations, Directors and Executives. We also consulted the Federal Communications Commission, industry experts, and pertinent trade associations.

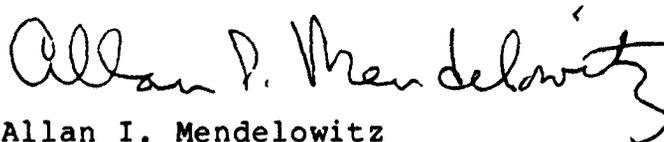
To verify the accuracy of this information, we contacted the individual firms and asked them for confirmation. When there was a discrepancy between the two sources, we accepted the information provided by the firms.

This compilation is based on the best available public information; however, it should not be considered to be comprehensive. It may understate the extent of Canadian investments in the United States in these two industries. All values are stated in U.S. dollars. Conversions from Canadian dollars are based on the exchange rate for the day for which the data were reported (i.e., for data reported as of December 31, 1987, the exchange rate was \$1 U.S. equaled \$1.3 Canadian).

Appendix I provides a brief discussion of the provisions of the U.S.-Canada Free Trade Agreement which affect cultural industries. Appendices II and III provide more detail regarding individual Canadian firms' investments in the publishing and cable television sectors.

Unless you publicly announce its contents earlier, no further distribution of this Fact Sheet will be made until 30 days from its issue date. At that time, we will provide copies to other interested parties. If you have questions on the information provided, please contact me on (202) 275-4812.

Sincerely yours,



Allan I. Mendelowitz  
Senior Associate Director

U.S.-CANADA FREE TRADE AGREEMENTPROVISIONS OF THE AGREEMENT THAT  
AFFECT CULTURAL INDUSTRIES

The U.S.-Canada Free Trade Agreement (FTA) was signed by President Reagan and Prime Minister Mulroney on January 2, 1988, and is currently pending approval by the U.S. Congress and Canadian Parliament. Article 2005 of the FTA generally exempts "cultural industries." However, Article 2005 also provides that the United States and Canada may retaliate in response to actions that would have violated the FTA had it covered cultural industries. The retaliation may take the form of "measures of equivalent commercial effect." The Office of the Trade Representative advises that retaliation is not limited to cultural industries.

The Agreement defines cultural industries in Article 2012 as:

"an enterprise engaged in any of the following activities: a) the publication, distribution, or sale of books, magazines, periodicals, or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing, b) the production, distribution, sale or exhibition of film or video recordings, c) the production, distribution, sale or exhibition of audio or video music recordings, d) the publication, distribution, or sale of music in print or machine readable form, or e) radio communication in which the transmissions are intended for direct reception by the general public, and all radio, television and cable television broadcasting undertakings and all satellite programming and broadcast network services."

IDENTIFICATION OF CANADIAN INVESTMENT  
IN U.S. CULTURAL INDUSTRIES

There is no comprehensive tracking system which can identify all foreign direct investment in the United States. In order to identify Canadian investment in U.S. cultural industries, we obtained available information from the Commerce Department and the Federal Communications Commission. We also consulted trade associations, industry experts, and reference source documents.

The industry sectors specified by the FTA as cultural industries are grouped below according to Standard Industrial Classification (SIC) code.

1. printing and publishing (271, 272, 273, 274)  
2711 - newspapers

CANADIAN INVESTMENT IN THE U.S. PRINTING  
AND PUBLISHING INDUSTRIES

We identified eight Canadian corporations as owning newspapers or publishing companies in the United States. The largest U.S. holding comprises 109 newspapers with a total daily circulation of 1,665,300 owned by Thomson Newspapers Ltd. and 40 publishing subsidiaries owned by International Thomson Organization Ltd. Annual U.S. sales figures for these two companies total more than \$1.2 billion. Other U.S. holdings are 28 newspapers owned by Hollinger Inc., 5 publishing companies owned by Maclean Hunter, 2 publishing companies owned by Torstar, 7 by Quebecor, 1 by Bell Canada Enterprises Inc., and 1 by Arden Management Ltd.

The Foreign Direct Investment in the United States data base maintained by the Department of Commerce showed 75 records of transactions involving Canadian investment in U.S. printing and publishing industries between 1974 and 1986. Values for 17 of the 75 investment transactions were reported, totaling \$1.13 billion.

All values are stated in U.S. dollars. Conversions from Canadian dollars are based on the exchange rate for the day for which the data were reported (i.e., for data reported as of December 31, 1987, the exchange rate was \$1 U.S. equaled \$1.3 Canadian).

**THOMSON NEWSPAPERS LTD.**

Address: 65 Queen St. W., Toronto, Ontario, M5H 2M8 Canada. Annual operating revenue: \$843 million. Employees: 11,500. Chairman & CEO: Kenneth R. Thomson. All information is as of December 31, 1987.

U.S. subsidiaries

A. **THOMSON NEWSPAPERS INC.**, 3150 Des Plaines Ave., Des Plaines IL 60018. Newspaper publisher. Sales: \$307.9 million, employees: 7,500. Owned 93 daily and 4 weekly U.S. newspapers, listed below together with daily circulation figures.

1. Dothan (AL) Eagle - circulation 22,445
2. Enterprise (AL) Ledger - 6,754
3. Opelika-Auburn (AL) News - 12,736
4. Fayetteville (AR) Northwest Arkansas Times - 10,948
5. Barstow (CA) Desert Dispatch - 8,100

30. Valparaiso (IN) Vidette-Messenger - 13,953
31. Council Bluffs (IA) Daily Nonpareil, Sunday Nonpareil - 17,807
32. Oelwein (IA) Daily Register - 6,250
33. Atchison (KS) Daily Globe, Sunday Globe - 5,607
34. Leavenworth (KS) Times - 8,973
35. Corbin (KY) Times-Tribune - 8,028
36. Richmond (KY) Register - 8,491
37. Lafayette (LA) Advertiser - 30,820
38. Salisbury (MD) Daily Times - 25,508
39. Fitchburg-Leominster (MA) Daily Sentinel & Enterprise - 22,485
40. Taunton (MA) Daily Gazette - 13,894
41. Adrian (MI) Daily Telegram - 17,199
42. Benton Harbor-St. Joseph (MI) Herald Palladium - 36,560
43. Escanaba (MI) Daily Press - 10,663
44. Houghton (MI) Daily Mining Gazette - 12,149
45. Iron Mountain-Kingsford (MI) Daily News - 10,383
46. Marquette (MI) Mining Journal - 17,802
47. Albert Lea (MN) Evening Tribune - 9,018
48. Austin (MN) Daily Herald - 8,762
49. Fergus Falls (MN) Daily Journal - 12,788
50. Laurel (MS) Leader-Call - 10,031
51. Carthage (MO) Press - 4,920
52. Sikeston (MO) Daily Standard - 8,406

53. Portsmouth (NH) Herald - 13,913
54. Herkimer (NY) Evening Telegram - 7,126
55. Newburgh-Beacon (NY) Evening News - 13,679
56. Oswego-Fulton (NY) Palladium-Times - 8,903
57. Rocky Mount (NC) Evening Telegram, Sunday Telegram - 13,229
58. Dickinson (ND) Press - 7,940
59. Canton (OH) Repository - 58,451
60. Coshocton (OH) Tribune - 7,338
61. East Liverpool (OH) Evening Review - 13,036
62. Franklin (OH) Chronicle (weekly) - 2,552
63. Greenville (OH) Daily Advocate - 9,116
64. Lancaster (OH) Eagle-Gazette - 17,133
65. Marion (OH) Star - 18,011
66. Middletown (OH) Journal - 22,987
67. Newark (OH) Advocate - 21,271
68. Piqua (OH) Daily Call - 9,670
69. Portsmouth (OH) Daily Times - 17,947
70. Salem (OH) News - 9,150
71. Steubenville (OH) Herald-Star - 21,002
72. Xenia (OH) Daily Gazette - 10,876
73. Zanesville (OH) Times Recorder - 23,076
74. Ada (OK) Evening News - 9,439
75. Altoona (PA) Mirror - 34,012

76. Connellsville-South Connellsville (PA) Daily Courier - 12,634
  77. Easton (PA) Express - 45,324
  78. Greenville (PA) Record-Argus - 5,105
  79. Hanover (PA) Evening Sun - 20,443
  80. Kittanning (PA) Leader-Times - 10,975
  81. Lebanon (PA) Daily News - 24,760
  82. Lock Haven-Jersey Shore (PA) Express - 10,872
  83. Meadville (PA) Tribune - 16,784
  84. Monessen-Charleroi-Donora (PA) Valley Independent - 17,214
  85. Shamokin-Mount Carmel (PA) News-Item - 14,293
  86. Florence (SC) Morning News - 30,398
  87. Mitchell (SD) Daily Republic - 11,607
  88. St. George (UT) Daily Spectrum - 13,997
  89. Petersburg (VA) Progress-Index - 20,767
  90. Fairmont (WV) Times-West Virginian - 14,285
  91. Weirton (WV) Daily Times - 7,743
  92. Appleton (WI) Post-Crescent - 52,614
  93. Fond du Lac (WI) Reporter - 19,850
  94. Manitowoc-Two Rivers (WI) Herald-Times-Reporter - 16,381
  95. Waukesha (WI) Freeman - 22,577
  96. West Bend (WI) News (weekly) - 9,331
  97. Wisconsin Rapids (WI) Daily Tribune - 13,043
- B. LINCOLN PUBLISHING, INC., 2 Mill Road, Wilmington, DE.**  
Newspaper publisher. Owned 10 daily and 2 weekly newspapers, listed below together with circulation figures.

1. Sterling-Rock Falls (IL) Daily Gazette - 14,235
2. Cumberland (MD) Times-News - 29,202
3. Worthington (MN) Daily Globe - 14,528
4. California (MO) Democrat (weekly) - 4,500
5. Mexico (MO) Ledger - 10,973
6. Plainsman Shoppers (MO) (weekly) - free
7. Sedalia (MO) Democrat - 14,403
8. Elizabeth City (NC) Daily Advance - 11,300
9. Monroe (NC) Enquirer-Journal - 13,743
10. Shelby (NC) Star - 17,502
11. Beckley (WV) Register-Herald - 32,535
12. Charleston (WV) Daily Mail - 53,367

**INTERNATIONAL THOMSON ORGANIZATION LTD.**

Address: 20 Queen Street West, Toronto, Ontario, M5H 3R3 Canada. International information and publishing business, with interests in travel, oil, and gas. Annual sales: \$3.5 billion. Chairman: Kenneth R. Thomson. Owned five holding companies and 40 publishing subsidiaries in the United States. All information is as of December 31, 1987.

U.S. subsidiaries

## A. Holding companies

1. International Thomson Inc., 245 Park Ave., New York, NY 10167. (212) 309-8700. Top U.S. holding company, with annual revenues of about \$900 million.
2. International Thomson Corporation, 245 Park Ave., New York, NY 10167.
3. International Thomson Holdings Inc., 245 Park Ave., New York, NY 10167.

4. International Thomson Organization Inc., 245 Park Ave., New York, NY 10167.
5. International Thomson Business Press Inc., Glenpointe Centre West, 500 Frank W. Burr Boulevard, Teaneck NJ 07666.

B. Publishing companies

1. Medical Economics Company Inc., 680 Kinderkamack Road, Oradell, NJ 07649. Publications, books and services for health care professionals.
2. Veterinary Medicine Publishing Company, 9073 Lenexa Drive, Lenexa, KS 66215. Animal health care publications and books.
3. Medical Economics Books Inc., 680 Kinderkamack Road, Oradell, NJ 07649. Magazine publishing.
4. American Health Consultants, Inc., 67 Peachtree Drive, NE, Atlanta, GA 30309. Publications, books, and services for health care professionals.
5. Medical Device Register Inc., 655 Washington Boulevard, Stamford, CT 06901. Medical equipment data base and directories for health care professionals.
6. Med Publishing, Inc., Office Center at Princeton Meadows, Building 1000, 666 Plainsboro Road, Plainsboro, NJ 08536. Monthly magazines and newsletters dealing with specialized areas of health care.
7. International Thomson Retail Press Inc., 345 Park Avenue, New York, NY 10010. Magazines covering consumer electronics, computers, convenience stores, floor coverings, and drug and toy markets.
8. International Thomson Communications Inc., 6521 Davis Industrial Parkway, Solon, OH 44139. Magazines, newsletters, and data bases covering auto industry, cable communications, and industrial markets.
9. Mitchell International, Inc., 9889 Willow Creek Road, San Diego, CA 92126. Publications and data bases for collision repair industry.

10. International Thomson Transport Press, Inc., 424 West 33rd Street, New York, NY 10001. Magazines and directories covering maritime, air, rail, and trucking industries.
11. R.E.R. Publishing Corporation, 424 West 33rd Street, New York, NY 10001. Power of Attorney Agent.
12. Intermodal Publishing Company, Inc., 424 West 33rd Street, New York, NY 10001. Power of Attorney Agent.
13. International Thomson Information Inc., 500 Victory Road, North Quincy, MA 02171. Through Thomson & Thomson division publishes trademark reports and provides trademark services.
14. International Thomson (US) Inc., 100 Northwest Point Boulevard, Elk Grove Village, IL 60007. Through Callaghan & Company division publishes legal treatises and loose-leaf material. Through Thomson Travel division provides travel services.
15. Clark Boardman Company Ltd., 435 Hudson Street, New York, NY 10014. Legal publisher.
16. Warren, Gorham & Lamont Inc., 1 Penn Plaza, New York, NY 10119. Publisher of legal, tax, accounting, and banking works.
17. Sheshunoff Information Services Inc., 1 Texas Center, 5405 Barton Springs Road, Austin, TX 78704. Publisher of banking-related works.
18. CPAid, Inc., 1061 Fraternity Circle, Kent, OH 44210. Publisher of software for accountants.
19. Practitioners Publishing Company Inc., 3221 Collinsworth, Fort Worth, TX 76107. Publisher of tax and accounting works.
20. ProPub Inc., 49 Van Syckel Lane, Wyckoff, NJ 07481. Newsletter publisher for accountants and tax professionals.
21. Wadsworth Inc., 10 Davis Drive, Belmont, CA 94002. College textbook publishing.
22. Linguistics International Inc., 20 Park Plaza, Boston, MA 02116. Textbook publishing.

23. Heinle & Heinle Publishers Inc., 20 Park Plaza, Boston, MA 02116. Foreign language college textbooks.
24. Boyd & Fraser Publishing Company, 20 Park Plaza, Boston, MA 02116. Publishes computer science and college textbooks.
25. Utlas International U.S. Inc., 8300 College Boulevard, Overland, KA 66210. Library services provider.
26. Research Publications Inc., 12 Lunar Drive, Woodbridge, CT 06525. Microform publishing.
27. Delmar Publishers Inc., Two Computer Drive West, Box 15-015, Albany, NY 12212. Textbook publishing.
28. Gale Research Inc., 835 Penobscot Building, Detroit, MI 48226. Library reference book publisher.
29. International Thomson Publishing Corporation, 115 Fifth Avenue, New York, NY 10003. Through Van Nostrand Reinhold division, publishes vocational and scientific works. Through American Bank/Bond Buyer division, publishes financial newspapers and data bases.
30. South-Western Publishing Co., 5101 Madison Road, Cincinnati, OH 45227. Publishes textbooks for secondary and vocational schools and for colleges.
31. Trans Data Corporation, 530 Riverside Drive, Salisbury, MD 21801. Publishes financial research materials.
32. Technical Data Corporation, 11 Farnsworth Street, Boston, MA 02210. Publishes financial information and supplies software.
33. Business Research Corporation, 11 Farnsworth Street, Boston, MA 02210. Publishes financial data bases.
34. First Call Corporation, 11 Farnsworth Street, Boston, MA 02210. Publishes financial data bases.
35. AutEx Systems Inc., 55 William Street, Wellesley, MA 02181. Provides electronic information services and publishes data bases.
36. CDA Investment Technologies, Inc., 1355 Picard Drive, Rockville, MD 20850. Provides financial information services.

37. Securities Data Company, Inc., 62 William Street, New York, NY 10005. Provides electronic services to securities industry.
38. Derwent, Inc., 6845 Elm Street, Suite 500, McLean, VA 22101. Publishes patent abstracts and technical literature.
39. DMS, Inc., 100 Northfield Street, Greenwich, CT 06830. Publishes military and aerospace research works.
40. Jane's Publishing Inc., 115 Fifth Avenue, New York, NY 10003. Publishes military works.

#### **HOLLINGER INC.**

Address: 10 Toronto St., Toronto, Ontario, M5C 2B7 Canada. (416) 363-8721. Holding company. Chairman: Conrad M. Black. Mr. Black, Dixon Chant, David Radler, and Peter White, all directors and officers of Hollinger, own indirectly all common shares of The Ravelston Corp. Ltd. (investment holding company). Ravelston and its subsidiary Argus Corp. (investment holding company) together hold 50.35 percent of Hollinger's outstanding common shares. All information is as of December 31, 1986.

#### U.S. subsidiaries

- A. **AMERICAN PUBLISHING CO.**, 111-115 S. Emma St., West Frankfort, IL 62896. President: Conrad M. Black. In December 1986, American Publishing Co. (100% owned by Hollinger Inc.) acquired 22 daily and 5 weekly U.S. newspapers for \$75.6 million. Also included in the sale were an unnamed Sunday newspaper, 2 free circulation shoppers, a nationally circulated weekly magazine, and an unnamed recreational weekly paid classified advertising publication. The holding is for 100% unless otherwise noted.
  1. Benton (IL) Evening News - circulation 6,525
  2. Canton (IL) Daily Ledger - 7,183
  3. Carmi (IL) Times - 3,352
  4. Du Quoin (IL) Evening Call - 4,860
  5. Eldorado (IL) Daily Journal - 4,843
  6. Marion (IL) Daily Republican - 5,359

7. Monmouth (IL) Daily Review Atlas - 4,563
8. West Frankfort (IL) Daily American - 4,255
9. Columbia City (IN) Post & Mail - 4,753
10. Hartford City (IN) News-Times - 2,789
11. Boonville (MO) News Advertiser/Daily News - 3,841
12. Dansville (NY) Genessee Country Express (weekly) - 3,707  
paid, 54 free
13. Hornell (NY) Evening Tribune, Spectator - 11,834
14. Penn Yan (NY) Chronicle Express (weekly) - 4,800
15. Salamanca (NY) Republican/Press - 3,213
16. Wellsville (NY) Daily Reporter, Spectator - 12,189
17. St. Mary's (OH) Evening Reporter/Leader - 6,650
18. Wapakoneta (OH) Daily News - 5,203
19. Shawnee-Cridersville (OH) Press (weekly) - 9,257 free, 56  
paid
20. Shelby-Auglaize (OH) Review/Community Post (weekly) - 3,700  
paid, 260 free
21. West Auglaize (OH) Merchandizer (weekly) - 7,179
22. Bradford (PA) Era - 12,144
23. Corry (PA) Evening Journal - 4,006
24. Kane (PA) Republican - 2,578
25. Punxsutawney (PA) Spirit - 5,862
26. Ridgway (PA) Record - 3,415
27. Sayre-Athens (PA) Evening Times - 8,474

28. St. Mary's (PA) Daily Press (30% ownership) - 5,371

**MACLEAN HUNTER LTD.**

Address: 777 Bay Street, Maclean Hunter Building, Toronto, Ontario, M5W 1A7 Canada. (416) 596-5000. Total revenues: \$865.38 million, employees: 9,545. Periodicals, newspapers, business forms, commercial printing, cable television, broadcasting, communication services. Chairman: Donald G. Campbell. Owned five U.S. publishing companies. All information is as of December 31, 1987.

U.S. subsidiaries

A. Holding companies

1. Maclean Hunter Inc., 29 North Wacker Drive, Chicago, IL 60606-3298. Holding company.

B. Publishing companies

1. Maclean Hunter Publishing Company, 29 North Wacker Drive, Chicago IL 60606-3298. Periodical printing and publishing.
  - a. National Market Reports Inc., 29 North Wacker Drive, Chicago, IL 60606-3298. Publisher of price guides for automotive industry.
2. Maclean Hunter Media Inc., Four Stamford Forum, Stamford, CT 06901. Periodicals publishing & printing.
3. HP Publishing Co., 10 Astoria Place, New York, NY 10003. Publisher of medical journals.
4. Lakewood Publications Inc., 50 South Ninth Street, Minneapolis, Minnesota 55402.

**TORSTAR CORPORATION**

Address: One Yonge St., Toronto, Ontario, M5E 1P9 Canada. (416) 861-4900. Sales: \$695.38 million, employees: 5,000. Newspaper & book publishers. Ultimate beneficial owners are the J.S. Atkinson Estate, Toronto (30.3%) and Southam Inc., Toronto (30%). Note: Torstar is parent of Toronto Star, Canada's largest daily newspaper (sales: \$374.69 million).

Canadian subsidiary: **Harlequin Enterprises Ltd.**, 225 Duncan Mill Rd., Don Mills, Ontario, M3B 3K9 Canada. (416) 445-5860. Sales:

\$265.38 million, employees: 1,050. Book publishers. Owned 100% by Torstar.

U.S. subsidiaries

A. Publishing companies

1. Harlequin Sales Corp., 901 Furman Blvd., Buffalo, NY 14203. (716)856-6440. Book distribution.
2. Harlequin Magazines Inc., 300 East 42nd St., New York, NY 10017. Editorial office.

**QUEBECOR INC.**

Address: 612 St. Jacques Street West, Montreal, Quebec, H3C 4M8 Canada. (514) 282-9600. Revenue: \$521.09 million (fiscal year ending September 30, 1987), employees: 4,902. Periodicals & newspapers publishing, printing, & distribution, pulp & paper products. President: Pierre Peladeau. Owned seven U.S. publishing companies as of March 1988.

U.S. subsidiaries

A. Holding companies

1. Quebecor America, Inc., 75 - 2nd Avenue, Suite 340, Needham, MA 02194. (617) 455-8840. President/CEO: John T. Collins.

B. Publishing companies

1. Somerset Publishing Co., Inc., 320 Campus Dr., Somerset, NJ 08873. Newspaper printing & publishing.
2. The Eusey Press, Inc.
3. Semline Inc.
4. Modern Printing & Lithography, Inc.
5. Book Press, Inc.
6. Holyoke Lithograph Co., Inc.
7. Pendell Printing, Inc. (held through Quebecor Inc.)

**BCE (BELL CANADA ENTERPRISES), INC.**

Address: 2000 McGill College Avenue, Suite 2100, Montreal, Quebec, H3A 3H7 Canada. Communications, telephone & telegraph, and pipelines. Assets: \$21.6 billion, sales: \$12.158 billion. All information is as of December 31, 1987.

U.S. subsidiary

## A. Publishing companies

1. North American Directory Corp., 17 Hall Street, Lowell MA 01854. (617) 458-6356. Telephone directory printer. A joint venture investment for 20% in 2/86, increased to 50% in 12/86. Investment made through BCE Publi-Tech, Inc., a wholly owned subsidiary of BCE, Inc.

**ARDEN MANAGEMENT LTD.**

Address: 2802 - 30th St., Vernon, British Columbia, V1T 8G7 Canada. Holding company. President: Michael J. Davies. Canadian subsidiary: Skyword Marketing Ltd., publisher of inflight magazines. Owned one U.S. publishing company, as of March 1988.

U.S. subsidiary

## A. Publishing companies

1. Skyword Marketing Inc., 7500 North Dreamy Draw Drive, Phoenix, AZ. (602) 997-7200. Publisher of inflight magazines. Established new office in December 1985. Annual sales: \$2 million, employees 12.

Source: Data obtained from Foreign Direct Investment in the United States, a data base maintained by the Office of Trade & Investment Analysis, International Trade Administration, Department of Commerce; Editor & Publisher International Year Book, 1987; Directory of Foreign Manufacturers in the United States (1985); Standard & Poor's Register of Corporations, Directors and Executives, 1988; Directory of Corporate Affiliations, 1988; America's Corporate Families and International Affiliates, 1987. We also contacted the Association of American Publishers, National Newspaper Association, and industry experts. After compiling the data, we contacted the individual firms to verify and correct the information where necessary.

CANADIAN INVESTMENT IN THE U.S. CABLE TELEVISION INDUSTRY

We identified five Canadian companies as having ownership in U.S. cable systems, with a total of 918,379 subscribers. A rough estimate of the value of a cable system can be calculated based on an industry rule of thumb of \$2,000 per subscriber. Thus, the value of Canadian holdings in the U.S. cable television industry could be estimated at approximately \$1.8 billion. Holdings are 100% owned unless otherwise specified.

All values are stated in U.S. dollars. Conversions from Canadian dollars are based on the exchange rate for the day for which the data were reported (i.e., for data reported as of December 31, 1987, the exchange rate was \$1 U.S. equaled \$1.3 Canadian).

**ROGERS COMMUNICATIONS INC.**

Address: Commercial Union Tower, Suite 2600, P.O. Box 249, Toronto Dominion Centre, Toronto, Ontario, M5K 1J5 Canada. (416) 864-2373. Gross revenues: \$351.74 million (fiscal year ending August 31, 1987), employees: about 3,500. Cable TV service, radio & TV broadcasting, cellular service. Chairman: John W. Graham.

U.S. subsidiaries

## A. Holding companies

1. RCA Cablesystems Holding Company, 12th & Market Street, Wilmington, DE. The holding company for all Rogers cable systems in the United States, which are held through Rogers Cablesystems of America, Inc. and Rogers U.S. Cablesystems, Inc. These cable systems had a total of 495,000 basic subscribers as of December 1987.

## B. Cable companies

1. Rogers Cablesystems of the Southwest, Inc. Operates three cable systems. Serves Orange County, California; San Antonio, Texas and part of the unincorporated suburbs together with a number of other incorporated communities contiguous to the San Antonio system; and Laredo, Texas.
  - a. Rogers Cablesystems of Minnesota Limited Partnership. Serves southwest suburbs of Minneapolis, Minnesota.
  - b. Rogers Portland Cablesystems. Serves most of the city of Portland, Oregon.

- c. Dickinson Pacific Cablesystems. Serves Orange County, California.
- 2. Rogers Cable TV Inc.
- 3. Rogers Cablesystems of Multnomah, Inc.
  - a. Rogers-Multnomah Cablesystems (63% owned). Serves the eastern suburbs of Portland, Oregon.
- 4. Rogers Cablesystems of Minneapolis, Inc.
  - a. Rogers Cablesystems of Minneapolis Limited Partnership (78.28% owned). Serves the city of Minneapolis, Minnesota.
- 5. Rogers Cablesystems of Alamogordo, Inc. Owns part of the suburban San Antonio, Texas system.
- 6. Rogers Cablesystems of West Texas, Inc. Owns part of the suburban San Antonio, Texas system.
- 7. Laredo Microwave Inc. Supplied microwaves for the Laredo, Texas system. Does not operate a cable system.

#### **MACLEAN HUNTER LTD.**

Address: 777 Bay Street, Maclean Hunter Building, Toronto, Ontario, M5W 1A7, Canada. (416) 596-5000. Total revenues: \$865.38 million, employees: 9,545. Periodicals, newspapers, business forms, commercial printing, cable television, broadcasting, communication services. Chairman: Donald G. Campbell. All information is as of December 31, 1987.

#### U.S. subsidiaries

##### A. Holding companies

- 1. **Maclean Hunter Inc.**, 29 North Wacker Drive, Chicago, IL 60606-3298. Total U.S. cable revenues: \$97.23 million, subscribers: 302,600, employees: 667.

##### B. Cable companies

- 1. **Maclean Hunter Cable TV Inc.**, 24744 Eureka Road, Taylor, MI 48180. Operates 3 systems in the Detroit suburbs, with a total of 60,400 subscribers.

2. **Suburban Cablevision**, 43 Prospect Street, East Orange, NJ 07017. Serves 42 franchise areas in northern New Jersey, with a total of 196,800 subscribers.
  - a. **Cable TV of Jersey City Inc.**, 2121 Kennedy Boulevard, Jersey City, NJ 07309. 80% owned by Maclean Hunter. New system under construction, with 18,300 subscribers at end of 1987.
3. **Barden Cablevision**, 12775 Lyndon Street, Detroit, MI 48227. 59% owned by Maclean Hunter. New system under construction, with 27,100 subscribers at end of 1987.

**MOFFAT COMMUNICATIONS LTD.**

Address: CKY Building, Polo Park 3rd Floor, Winnipeg, Manitoba, R3H 0Z5 Canada. (204) 774-2461. Sales: \$42.4 million, employees: 526. Radio & television broadcasting & cable television. Chairman: Randall L. Moffat. All information is as of August 31, 1987.

U.S. subsidiaries (as of March 31, 1988)

## A. Cable companies

1. **Florida Satellite Network Inc.**, 4185 US 301 N., Zephyrhills, FL 34283-1807. Sales: \$1.7 million, employees: 28. Subscribers: 8,238. CEO: Randall L. Moffat.
  - a. Dade City - Acton CATV Inc. Purchased from Acton Corp., Jan. 1987. Moffat paid \$2 million for Dade City and Zephyrhills, which comprised 1,800 subscribers total.
  - b. Pasco County (central & eastern portions) - Florida Satellite Network Inc. Purchased from Florida Satellite Network Inc., 1982.
  - c. Zephyrhills - Florida Satellite Network. Purchased from Action Corp., Jan. 1987.
2. **Kingwood Cablevision Inc.**, 2400 Trailwood Village Sq., Humble, TX 77339. Sales: \$3.7 million, employees: 45. System has 10,161 subscribers.

**SELKIRK COMMUNICATIONS LTD.**

Address: 121 Bloor St. E, 9th fl, Toronto, Ontario, M4W 3M5 Canada.  
(416) 967-5550. Employees: 1,670. Radio & TV broadcasting & advertising, cable television, manufacture & distribute records & tapes. President/CEO: G. M. Meadows.

U.S. subsidiaries

## A. Cable companies

1. **Selkirk Communications Inc.**, 644 S. Andrews Ave., Ft. Lauderdale, FL 33301. Sales: \$20 million (fiscal year ending December 31, 1987), employees: 157. Cablevision service with 72,000 subscribers.
  - a. Fort Lauderdale - Selkirk Communications Inc., 62,000 subscribers, potential 96,000.
  - b. Hallandale - Selkirk Communications Inc., 10,000 subscribers, potential 18,000.

**AMZAK CORPORATION**

Address: 1300 Iroquois Drive, Suite 210, Naperville, IL 60540.  
(312) 357-6110. Holding company owned by the Kazma Family, who are U.S. permanent residents. The Kazma Family also owns Countryside Cable Inc. (Naperville, IL), which does not directly operate a U.S. cable system at this time. All information is as of March 28, 1988.

U.S. subsidiaries

## A. Cable companies

1. Cable Properties Associates: A wholly owned Kazma Family partnership which owns a Michigan system in Three Oaks Township, with approximately 2,600 subscribers (potential 6,000).
2. Nortel Cable Associates, Limited Partnership: The Kazma Family through its wholly owned company Nortel Cable Corporation is the General Partner of the Partnership. The Limited Partners are Union Mutual Insurance Company and Countryside Cable Inc. Nortel Cable Associates owns 3 systems in Minnesota with a total of 27,780 subscribers.

- a. Bloomington - Nortel Cable Associates, Ltd. Partnership, 15,680 subscribers.
- b. Fridley - Nortel Cable Associates, Ltd. Partnership, 4,300 subscribers, potential 11,000, purchased from Storer Cable Communications, July 1986.
- c. St. Louis Park - Nortel Cable Associates, Ltd. Partnership, 7,000 subscribers.

Source: Data obtained from Foreign Direct Investment in the United States, a data base maintained by the Office of Trade & Investment Analysis, International Trade Administration, Department of Commerce; Television and Cable Factbook (1987 edition); Broadcasting Cablecasting Yearbook 1987; America's Corporate Families and International Affiliates, 1987; Standard & Poor's Register of Corporations, Directors and Executives, 1988. We also contacted the Federal Communications Commission, the National Association of Broadcasters, and the National Cable Television Association. After compiling the data, we contacted the individual firms in order to verify and correct the information where necessary.

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